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DRAFT  
11 April 1961

MEMORANDUM FOR: Chairman, United States Intelligence Board  
SUBJECT : Implementation of Recommendation 38 of Joint Study Group Report

1. The Cost Estimates Committee has considered Recommendation No. 38 of the Joint Study Group on which this Committee was directed to develop data and recommendations for USIB consideration.
2. Recommendation 38 (a) proposes that clear and specific determinations be made as to those activities which are subject to the coordination of the Director of Central Intelligence and the guidance of the U.S. Intelligence Board. It is not believed that the Cost Estimates Committee is the appropriate element of the Intelligence Community to prepare basic recommendations concerning this proposal in view of the area of responsibility assigned to the Committee. For this reason, it is suggested that this item be referred to the Assistant for Coordination for the preparation of recommendations for U.S. Intelligence Board consideration.
3. Recommendation No. 38 (b) proposes that cost and manpower data be prepared in such a form so that the resulting figures will permit the USIB to review and coordinate the effort expended on foreign intelligence activities, especially through the review referred to in Section VII, Recommendation No. 32. Since the Coordination Staff has been assigned the responsibility for the development of procedures in carrying out Recommendation No. 32, the Cost Estimates Committee will be available to work with the Staff in developing reasonable and workable cost reports which will aid in the review and coordination of effort expended on foreign intelligence activities.

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4. The development, however, of instructions concerning and the form of a report on costs and manpower data on foreign intelligence cannot be made in its final form until the determinations proposed in Recommendation 38 (a) and the policy questions involved in the latter part of Recommendation 38 (b) concerning the review and coordination of the effort expended on foreign intelligence activities as proposed in Recommendation No. 32 (paragraphs 2 and 3 above) have been finally consummated.

E. R. SAUNDERS  
Chairman  
Cost Estimates Committee